

State of Alaska FY2003 Governor's Operating Budget

Department of Transportation/Public Facilities Marine Engineering Component Budget Summary

Component: Marine Engineering

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Component Mission

Ensure that the Alaska Marine Highway System (AMHS) vessels and shore facilities are safe, reliable, comfortable, and accessible to all Alaskans and visitors to the state.

Component Services Provided

- Conduct annual condition surveys and operational assessments. Provide technical information for long-range planning and facility development.
- Prepare the designs and manage the construction contracts that maintain, repair, refurbish, and upgrade the existing vessels. Assure that the vessels continue to comply with all state and federal regulations, as well as all United States Coast Guard (USCG) and American Bureau of Shipping (ABS) requirements. The Vessel Engineering Section's workload of current design and construction projects is over \$140 million in Federal Highway Administration and state-matching funds.
- Support fleet operations through the port engineer function in Ketchikan and Juneau.
- Perform preventive maintenance on nineteen widely dispersed, state-owned ferry terminal facilities from Homer to Ketchikan. Perform annual inspections for regulatory compliance and accomplishment of upgrades, repairs, and refurbishment of terminal facilities. Terminal facilities include transfer bridges, mooring structures, staging areas and terminal buildings.

Component Goals and Strategies

Vessel Engineering Section:

- Design and procure a new class of vessel with faster speed and reduced level of amenities, able to operate with reduced labor costs.
- Assure no loss of service due to failure to meet an existing or upcoming regulation.
- Provide continued modernization in accordance with the upcoming regulatory compliance deadlines including new requirements for Safety of Life at Sea (SOLAS), International Safety Management (ISM) and the Standards for Training, Certification and Watchkeeping for Seafarers (STCW).

Shore Maintenance Section:

- Continue to provide a high standard of preventive maintenance to state-owned terminal facilities.
- Conduct semi-annual servicing of the passenger and vehicle transfer structures and terminal buildings at each site.

Key Component Issues for FY2002 – 2003

The STCW is the international criteria by which all 800 AMHS shipboard employees are required to be trained and certified in Basic Safety Training and Vessel Familiarization before February 1, 2002. Half of these employees also need specialized training in crowd and crisis management, proficiency in the use of survival craft and passenger safety and hull integrity. This training is being provided primarily in-house using the training courses, manuals, and equipment developed for the AMHS. In addition, STCW training and certification for deck and engineering department licensed and unlicensed mariners is being obtained from US Coast Guard approved schools prior to the February 1 deadline.

The addition of modernized and expanded terminal facilities and buildings in Cordova, Homer, and Petersburg in the past three years has increased the existing maintenance team workload. Although the crew is currently fully utilized, their workload will increase further with the anticipated construction of five new terminals in the Southeast Alaska Transportation Plan.

All existing and new emergency generator underground fuel storage tanks now require operation inspections and certification to meet 18 AAC 78. Each new terminal that is built, upgraded, or expanded adds a new fire alarm system and/or sprinkler system that requires annual re-certification to meet Division of Fire Prevention regulations. These new

requirements, added to historical OSHA, DEC, and ADA oversight, require significant administrative efforts and demand additional funding to meet and maintain compliance.

A project to design and implement an Internet-based reservation system is under way. The result will be a more user friendly and cost-effective reservation system.

A draft transition/ implementation plan is being developed to coordinate the shift from a fleet made up of passenger vessels in service 24/7 to a system using dayboat shuttle ferries.

Major Component Accomplishments in 2001

- Successfully completed the first biannual re-certification inspection of our ISM program both on the vessels and shoreside. AMHS is the only U.S. flag, roll-on roll-off (ro-ro), passenger vessel fleet with overnight accommodations to have earned this certification. It is a requirement for continued service to Prince Rupert, British Columbia because it is located outside of the United States.
 - Successfully implemented the first phase of the STCW requirement to train current and newly hired crew members to the highest international standards.
 - Reduced the frequency and severity of terminal material casualties and emergency repairs. This was done through the use of improved, condition-based, planned, and programmed preventive maintenance.
 - Successfully completed an update of the Vessel Condition Survey, a comprehensive database of all regulatory and code deficiencies. This will serve as the master plan document for future vessel upgrades and refurbishments.
- Produced a draft ten-year plan for projects needed to extend the life of our vessels through 2010.

Statutory and Regulatory Authority

AS 19
AS 44

Marine Engineering

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,572.5	1,853.2	1,893.2
72000 Travel	49.4	45.1	45.1
73000 Contractual	92.0	96.5	107.5
74000 Supplies	84.6	146.2	155.2
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,798.5	2,141.0	2,201.0
Funding Sources:			
1061 Capital Improvement Project Receipts	1,097.6	1,405.7	1,438.0
1076 Marine Highway System Fund	700.9	735.3	763.0
Funding Totals	1,798.5	2,141.0	2,201.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<u>Unrestricted Revenues</u>						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
<u>Restricted Revenues</u>						
Capital Improvement Project Receipts	51200	1,097.6	1,405.7	1,405.7	1,438.0	1,438.0
Restricted Total		1,097.6	1,405.7	1,405.7	1,438.0	1,438.0
Total Estimated Revenues		1,097.6	1,405.7	1,405.7	1,438.0	1,438.0

Marine Engineering**Proposed Changes in Levels of Service for FY2003**

No service level changes are planned for the FY03 budget.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	0.0	2,141.0	2,141.0
Adjustments which will continue current level of service:				
-RP25-2-6438 Transfer \$11.0 from Southeast Vessel Ops for Ketchikan office long distance charges	0.0	0.0	11.0	11.0
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.0	49.0	49.0
FY2003 Governor	0.0	0.0	2,201.0	2,201.0

Marine Engineering

Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	23	23	Annual Salaries	1,312,399
Part-time	2	2	COLA	37,317
Nonpermanent	0	0	Premium Pay	129,067
			Annual Benefits	493,281
			Less 4.00% Vacancy Factor	(78,864)
			Lump Sum Premium Pay	0
Totals	25	25	Total Personal Services	1,893,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech II	0	0	1	0	1
Administrative Clerk I	0	0	1	0	1
Administrative Clerk II	0	0	1	0	1
Administrative Clerk III	0	0	1	1	2
Administrative Manager I	0	0	1	0	1
Engineer/Architect II	0	0	1	0	1
Facilities Manager I	0	0	1	0	1
Maint Gen Journey	0	0	2	1	3
Maint Spec Bfc Jrny II/Lead	0	0	1	0	1
Marine Trans Srvs Mgr	0	0	1	0	1
Naval Architect	0	0	1	0	1
Project Coordinator	0	0	0	1	1
Vessel Const Manager I	0	0	3	0	3
Vessel Const Manager II	0	0	4	0	4
Vessel Const Manager III	0	0	2	0	2
Vessel Construction Asst III	0	0	1	0	1
Totals	0	0	22	3	25